Baldrige Self-Assessment
2004
Feedback Report

Department of Revenue
Agency-level Report

Overall Agency Themes

Strengths

♦ The Department of Revenue employees and managers are highly regarded by peers, citizens, and other organizations for its innovation and customer-focused attitude. The Department won several national awards: 2004 Federation of Tax Administrators Compliance Award, 2004 Federation of Tax Administrators Management and Organizational Initiative Award, 2003 Governing Magazine Top 6 Revenue Departments to receive 4 Stars for overall administration. State awards include: 2004 Governor's Award for Financial Management: Initial Contact Team and Data Warehouse, and 2004 Governor's Award for Internal Process Management: Targeted Education.

♦ Department leaders focused on communicating organizational performance better to employees, customers and stakeholders. They displayed key performance measures on informational posters and placed them throughout the Department. Service commitments were formalized and placed into wall posters for display in lobbies, conference rooms, on the Internet, and every employee received a copy.

♦ The Department grew over the past two years rising to the challenge to find more revenue due to the State. The commitments made to the Legislature were exceeded. To honor employees and recognize them for their hard work, the Executive Team hosted special treats during Public Service Recognition Week and over the director's field visit meetings.

♦ Over the past couple of years, the Department provided considerable focus on building the leadership skills of supervisors by offering several Learning Forums, topic-focused Operations Team Meetings, Extended Management Team meetings, and many division-specific retreats and leadership meetings.

♦ The Department continued its leadership in building a strong Strategic Business Plan. Key customer and stakeholder input were specifically sought out and incorporated into the plan for 2006-2011. Performance contracts are aligned with the plan at the director level and with the exempt staff. Manager plans are also aligned in most divisions with the assistant director's plan and so on. Several divisions have created divisional strategic plans that align with the agency plan.

♦ The Department has a history of conducting employee and taxpayer satisfaction surveys. The Department maintains trend data and uses the information to develop plans and strategies to improve the performance of the Department. Trust and respect workshops were conducted over a year in every office and division, and employees and managers together created Professional Conduct

Guides as a means of solidifying their working norms and behaviors. Several efforts stemmed from the data provided by taxpayers in the customer survey.

Opportunities for Improvement
♦ While communicating organizational performance is improving, communicating with data to overall employees, customers and stakeholders continues to be an issue.

♦ Several divisions are clearer about their key processes and customers. On the whole, however, it is unclear whether the Department has a systemic approach to gathering key customer and stakeholder input and using that to guide continuous process improvement.

♦ The Department does not appear to have comparative or benchmark data for several of its key business processes.

Category 1   Leadership

1.1   <u>Organizational Leadership</u>

Strengths

- Agency leaders set organizational direction through the Strategic Business Plan, alignment of performance contracts, and through discussions with Executive and the Strategy Team. Governor requests, legislative mandates, national issues, taxpayer survey data, employee survey data, and other stakeholder input is all gathered and incorporated into how the agency sets direction.

- Overall direction of the organization is communicated through the production of the Strategic Business Plan that is given to every manager and office, and the plan's highlight brochure that is given to each employee, email, Intranet and Internet, and throughout the divisions through meetings. Other ways in which leaders communicate direction is through performance contract information that divisional leaders share within their divisions and the Director's contract with the Governor that is shared with agency leadership. Finally, every new employee orientation includes segments on organizational direction that come straight from executive leadership.

- The values are communicated through interactions between leaders and employees, printed on wall posters and on the web sites, communicated in the Strategic Business Plan, and through the agency-wide focus on Trust and Respect.

- Senior leaders are able to communicate expectations and direction through established formal and informal processes. The process for formal communication of expectations begins with the performance contracts with exempt staff and the Director. Managers and employees in the Department have annual performance evaluations using a common instrument (MDPP or EDPP) where performance expectations are communicated on a one-on-one basis. Informal communication of expectations is done on a more global level through Department e-newsletters or when leaders visit staff in the field.

- Offering training and development opportunities and involvement in quality improvement teams are two ways Department leaders demonstrate their commitment to employee learning, innovation and empowerment.

- The agency has systems in place for the divisions to track their own performance. At the agency level, performance is reviewed several times a year by the Strategy Team. Performance measures are formally reviewed once a year for clarity and need. The Strategic Business Plan, Taxpayer Satisfaction Survey, Employee Satisfaction Survey, and other major efforts influencing performance are also reviewed by the Strategy Team throughout the year and action plans made to follow up on any issues. Information is communicated to staff through their Assistant Directors, agency newsletters, e-mail, and personal visits.

- Department leaders create an environment that fosters legal and ethical behavior by ensuring everyone signs the secrecy clause, renews the commitment to the IRS exchange rules, and by having policies and procedures that align with the state ethics laws. In addition, leaders address accountability through monitoring of transactions on the phone, in Tandem, running special reports, monitoring Internet activity, having an Internal Audit team, and ensuring checks and balances in all cash handling activities.

Opportunities for Improvement
- While communicating organizational performance is improving, communicating with data to overall employees, customers and stakeholders continues to be an issue.

- There were some inconsistencies within the Department on how governance activities are created, monitored, and acted upon.

- It is unclear to staff as to how performance data from sessions with customers and stakeholders is used to improve organizational effectiveness.

Category 1   Leadership

1.2   Public Responsibility and Citizenship

Strengths
- Meetings with customer and stakeholder groups and monitoring survey data help to identify issues for managers. Attempts are made to anticipate how decisions and actions by the Department will impact others. The Director keeps the Governor informed weekly of potential issues. Most divisions have informal mechanisms in place to anticipate any concerns with their operations.

- Employees were very clear on the existence and identification of legal and regulatory requirements that the agency must meet. As a state agency, it is necessary that employees be able to clearly identify the guidelines for their general work in state government and for their day-to-day technical operations. For the general guidelines, employees mentioned the ethics rules, the secrecy clause, the public information laws, and the operating guidelines from the Department.

- The Department has an active community service (REVVED) committee. Agency leadership allows the occasional use of e-mail for announcements and space to store items staff are collecting for charities. While department managers are cautious about supporting community activities and staying within state ethics guidelines, they are generous about allowing employees the flexibility to participate in philanthropic activities by adjusting work hours or other means. The Department received an award as having the most percentage increase of employees contributing to the Combined Fund Drive in 2003.

Opportunities for Improvement
- It is not clear whether there is a process for anticipating and acting upon public concerns that is fully developed and understood by employees.

- Ensuring ethical behavior in transactions and interactions was mixed throughout the Department. While employees could explain guidelines like the secrecy clause and cash handling procedures, it was less apparent to them how their leaders ensured ethical behavior in all other transactions and interactions.

Category 2   Strategic Planning

2.1   Strategy Development

Strengths
- The agency has a solid strategic plan process that has been in place since the late 1980's. The Strategic Business Plan is created every two years with a six-year emphasis. New initiatives are created, debated, and prioritized in the plan. Ongoing activities such as the biennial employee satisfaction survey, publications, quality efforts, etc., are also listed in the plan to demonstrate alignment within the agency with all performance and improvement efforts.

- The mission, vision, and goals of the Department have been established for several years. Every two years they are reviewed, during the beginning stages of the strategic business planning cycle, to ensure they are still aligned and appropriate for agency direction and inspirational to employees.

- Major initiatives the divisions want to have agency-wide emphasis or resources allocated for are proposed for inclusion in one of the plan's three tiers during this process. The Strategy Team works to gather input from managers and employees of their division during all phases of the plan's creation. Stakeholder and key customer meetings were held this past cycle to gather input about Department direction and environmental factors affecting business.

- At the end of the development process, the Strategy Team creates criteria to place the initiatives in order in the three priority tiers. The Plan is then used as the driver for the biennial budget and for prioritizing IS resources for the next two years.

- Many divisions have created their own strategic plan that aligns with the agency plan. This allows for their employees to see how divisional direction supports agency direction at a much more micro level.

Opportunities for Improvement
- While there were more opportunities for employee involvement in this cycle for the strategic business plan, it is still unclear to many employees how the agency level plan is developed and how it relates to them.

Category 2   Strategic Planning

2.2   Strategy Deployment

Strengths
- The Department's mission, vision, values and goals are posted throughout the organization: posters in every conference room, division, and public lobby. Further, it is further displayed in publications for both internal and external audiences, written into speeches, portrayed on our Internet page, and incorporated into new employee orientation.

- The agency Strategic Business Plan is distributed to Operations Team members, Quality Council members, and every physical location has a copy for reference. The plan lives on the Intranet and segments on the Internet. Other copies were given to key stakeholders and customers.

- The Strategic Business Plan is monitored by each Assistant Director assigned to the Initiatives and is overall monitored by the Executives and Financial Services Manager who was responsible for designing the planning process. Once a year in a formal setting, the entire Strategy Team reviews each initiative's progress and makes any adjustments to the plan if necessary. Once a year the Director meets with the Assistant Directors and their managers to review overall division performance—in which Strategic Business Plan initiatives are included.

- The agency budget and IS resources are driven from the priorities in the Strategic Business Plan. Resources are allocated to make sure the plan is accomplished within the priorities set.

Opportunities for Improvement
- It is unclear whether the communication methods used to deploy the Strategic Business Plan are sufficient to ensure that everyone understands how it affects them. While divisions explained the methods they used to deploy information about strategic business plan progress, many employees still do not understand how the plan is created, monitored and adjusted.

- It is not clear to many employees and some managers that the agency and divisions have identified two to five-year projections for key performance measures.

- Benchmarking against others remains sporadic across the Department. There does not appear to be comparative data at the agency-level or at most divisions.

Category 3   Customer Focus

3.1   Customer Knowledge

Strengths
- The Department prides itself in being taxpayer-focused. Most employees can directly name their immediate customers. Main customers of the Department of Revenue are taxpayers, the legislature, the Governor's Office, cities, counties, other state agencies, and our internal divisions.

- A variety of methods are used for determining current and future customer requirements. These include the Taxpayer Satisfaction Survey, Employee Satisfaction Survey, brainstorming at the divisional level, involvement with FTA and other local and national associations, current issues/national trends, quality teams, and focus groups.

Opportunities for Improvement
- While the Department works to understand the taxpayer and other key customers and stakeholders, there does not appear to be a formal system for determining key requirements for some of its key business processes. While progress has been made within divisions to gather customer and stakeholder requirements in a more formal way, it is still not clear that the Department gathers requirement data in a consistent and formal fashion.

- There does not appear to be a formal process for determining the future needs of the customer in many of the Department's key services. While the Taxpayer Satisfaction Survey solicits some response to future direction the agency is contemplating, it is not clear the taxpayer and other customers have a direct line to the agency for input into determining their future needs.

Category 3   Customer Focus

3.2   Customer Satisfaction and Relationships

Strengths
- A formal and informal process exists for customers and stakeholders to access the Department for assistance. The formal process includes toll free lines, field office taxpayer service counters, the Internet, fax-on-demand, speakers bureau, Business Outreach workshops, tax consultation visits, e-mail, phone, and letters. The Department also has in place and encourages an informal process for customers requesting assistance such as calling personal contacts, e-mail, participating in association meetings and other stakeholder groups.

- Department leaders created an organization-wide Feedback System to capture complaints, comments, and compliments. The system tracks the feedback and allows for reports. The Department created a performance standard to contact the customer within two business days. Most customer issues and concerns are generally handled at the lowest possible level and in the moment with the employee. Additionally, more complex issues or complaints are managed through the Taxpayer Advocate Program.

- The Department works to build and nurture customer relationships through providing outstanding service, accurate work, and being responsive to needs and concerns. The agency accomplishes this through turnaround times with customer requests, participating in key customer and stakeholder meetings, inviting customers to serve on internal improvement teams, and especially through one-on-one interactions between employees and customers.

- The Department conducts a large taxpayer satisfaction survey every three to four years. In the interim, the agency may send out smaller, more focused surveys to other customer groups. Several divisions send out surveys or utilize other means to determine satisfaction and dissatisfaction with their services. The Department analyzes the results from the taxpayer surveys, creates action plans and teams to make improvements. Progress is monitored by the assistant directors who are charged with making improvements in the identified areas.

Opportunities for Improvement
- While the agency conducts a large taxpayer satisfaction survey, it is not clear whether a process exists to gather customer satisfaction or dissatisfaction on all agency key processes.

Category 4   Information and Analysis

4.1   Measurement and Analysis of Organizational Performance

Strengths
- The Department created informational posters highlighting the top twelve performance measures that touch outside customers and a few others. These posters share data, photos of employees working, and the story about why the measure is important. Posters are updated and rotated every four to six weeks.

- There are four primary macro measures of the Department's performance – Cost of Collections, Voluntary Compliance, Employee Satisfaction, and Taxpayer Satisfaction. The Department has maintained trend data on these measures for at least a ten-year period. These measures are aligned with the Department's mission, vision goals, and values. Key divisional performance measures, as well as the agency-level measures, are reviewed annually by the Strategy Team and more regularly by specific leaders within the Department.

- The divisions have performance measures that they track on a regular basis. All divisions use the agency performance measure system to input their data and track their measures. Data is analyzed on a regular basis by divisional managers.

- The voluntary compliance rate allows the Department to see whether efforts in education and enforcement are having an impact. This stimulated a study on Innovative Compliance Experiments (ICE Labs) in conjunction with two universities to study compliance behavior and Department interactions with them. The data is due out soon. The Department also won a national award for its compliance efforts from the Federation of Tax Administrators in 2004.

- There are performance contracts between the Director and the Strategy Team members. Contracts are aligned with the Strategic Business Plan and divisional direction. Progress is checked on the performance contract through the annual divisional performance review as well as interactions with the deputy director one-on-one meetings with the assistant directors.

Opportunities for Improvement
- While the Department has made great progress, it is still unclear to some employees how leaders communicate agency and divisional performance data on a regular basis.

Category 4   Information and Analysis

4.2   Information and Knowledge Management

Strengths

- Leaders make needed data and information available to employees and others through a variety of technological methods: e-mail, web sites, phone, computer networks and systems, as well as other personal and direct methods (meetings, one-on-one contacts). Taxpedia, research data, fax-on-demand, and toll-free lines are some of the many particular functions the Agency makes available to share information.

- Leaders work with the Information Services division to ensure the quality of their information through repeated internal testing and user testing. Timeliness is of projects and data needs are discussed regularly between IS and the other divisions. Security and confidentiality are ensured through various access restrictions, password requirements, firewalls, and attention to the secrecy clause awareness form and IRS information sharing requirements signed by employees.

- Hardware and software reliability and user-friendliness are ensured through rigorous testing of new programs. Feedback from users is incorporated to make the products as user-friendly as possible. Information Services and other divisions also study new technologies to determine what new programs or products might improve system reliability or user-friendliness.

- Leaders and IS managers use the Strategic Business Plan process, the Technical Architect, and continued communication with clients to make sure the hardware and software in use is current with business needs and directions. The IS division and other information technology staff within the divisions pay attention to public sector developments, technology conferences, and other sources to make sure the hardware and software are kept current.

- The Department shares best practices through Strategy Team meetings, Employee E-News, Intranet "Inside Revenue", Operations Team meetings, division-specific meetings, email, and the Director's e-news articles.

Opportunities for Improvement

- It was not consistent how the Department shares best practices and relevant knowledge gathered from customers and stakeholders.

Category 5   Human Resource Focus

5.1   Work Systems

Strengths
- The Department has organized its work functionally. Agency leadership has given a great deal of flexibility and latitude to divisional leadership to organize their employees in the best manner to optimize agency goals and meet customer needs. Agency leaders share resources and people during peak workload times – providing both a productivity boost as well as cross-training opportunities to staff.

- The Department uses all the available resources and strategies to attract and retain employees. The Office of Human Resources has staff dedicated to this issue and they are working with the divisions to ensure and enlist progressive hiring practices. For recruitment and retention issues, leaders attempt to emphasize the positive aspects of employment such as opportunities for training, challenging work assignments, and Revenue's stellar reputation.

- Communicating to nearly 1,060 people spread across the state is a big challenge. Agency leaders use e-mail, the Intranet, newsletters, messages with paychecks, staff meetings, and personal visits to communicate with staff and managers. Many divisions with processes that function together have set up regular meetings in order to enhance communication, cooperation and knowledge. They have co-sponsored improvement teams where needed.

- During this enhancement period, the Department has done remarkably well in recruiting employees for open positions, training them, and getting them up to speed producing.

- The Department's performance management system stems around the annual performance evaluation cycle for employees and managers, and evaluation cycles of divisional performance. Performance contracts also help in supporting a high performance work environment because leaders and employees know what is expected of them.

Opportunities for Improvement
- While meetings have increased between divisions and work units that share functions or rely on one another, some employees still offer communication and cooperation as an opportunity for improved.

- It is not apparent that the Department has any succession plans in place.

Category 5   Human Resource Focus

5.2   Employee Learning and Motivation

Strengths
- Short-term training needs are identified at many levels in the Department. Individual supervisors are asked to engage in a collaborative process with the employee during an evaluation and offer input into training and development needs. Most division leaders collect information from their supervisors to understand the collective training and development needs of the entire division.

- The Department has a strong employee development program. Many training courses are offered internally and information is provided for employees to learn about other courses and opportunities offered elsewhere. The Department has a well-developed rotation, developmental job assignment, and Shadowing programs in place. Training and development is one way the agency works to help employees reach their full potential. Other ways include committee work and challenging job assignments.

- The Employee Development Team also works to collect data from divisions on their immediate (six to twelve months) training and development needs are and collaborate with them in developing a plan. Information Technology training is planned and offered to agency employees in a just-in-time format – so when the hardware or software is updated, employees are trained.

- Individual supervisors are responsible for ensuring employees use their newly acquired skills back on the job. The Automated Training Registration System allows for staff to include statements about how the learning opportunity they are requesting will help them on the job. Supervisors read this when they are deciding to approve the class or not. These features help to reinforce the right developmental opportunities are being sought and approved for employees and managers.

Opportunities for Improvement
- While employees share training and development needs during their annual evaluations, it is not clear if they have input into other short and long-term training needs established by the Agency.

- Although the Department has some performance measures on evaluating training and development programs, like the number of hours employees take in training and evaluations from specific courses, it is not clear how the Department measures the performance of training and education programs.

Category 5   Human Resource Focus

5.3   Employee Well-Being and Satisfaction

Strengths
- Workplace health is a high priority for the agency. Ergonomic specialists have come in to analyze most work areas. If specialized equipment was needed for employees, the Department worked to acquire it within budget.

- Safety is taken seriously by the Department. Each office has designated safety personnel who have assigned tasks during drills and in case of an actual emergency. The Department had printed an individual copy for employees and one special for supervisors on emergency procedures. Safety checks are conducted regularly by staff and members of the union.

- The Agency offers several services that contribute to well-being and morale. Flex-place, flextime, and part-time arrangements have been made available for many staff. Good training opportunities and challenging work were also mentioned by staff that help contribute to morale.

- Employee satisfaction is measured every two years through the agency's biennial Employee Satisfaction Survey. Data is disseminated to divisions and feedback sessions are held. Divisions select areas to improve and an area(s) is (are) selected at the agency level. The 2003 survey indicated that 81 percent of employees are satisfied with their employment at the Department of Revenue – up from 75 percent in 2001.

- In response to the 2001 survey data, the Department organized trust and respect workshops for every office and division. Following the workshop, staff co-created a Professional Conduct Guide that is displayed in their work area and on the Intranet.

Opportunities for Improvement
- Other than citing hiring practices, it is not clear what the Department does to support a diverse workforce.

Category 6   Process Management

6.1   Product and Service Processes

Strengths
- Key processes have been identified through defining the mission and reviewing the statutory authority given to the Department. The Department is organized by functional divisions. The divisions know their key processes and many have established regular contacts with the customers of their processes for direct feedback.

- The Department has a well-established continuous improvement program in place. Managers and employees use quality tools and teams to make improvements to their processes. Process improvements are documented and submitted to the Governor's Office to further demonstrate the agency's commitment to quality and to be responsive to the Governor's Executive Order.

- Many divisions monitor their performance measures in order to respond and improve on processes.

Opportunities for Improvement
- While many key processes in the Agency have clear customer requirements established, some do not have requirements documented.

- Improvements have been made over the past two years, however, it is still not as clear to some staff how performance measures are driven from key customer requirements and that data drives the continuous improvement of processes.

Category 6   Process Management

6.2   Support Processes

Strengths
- Many employees and managers are aware of key support processes. Internal divisions such as Information Services, Financial & Employee Services, and Research enable other divisions to accomplish their work.

- The Agency improves its support processes by encouraging the support functions to develop communication channels and be clear about requirements (e.g. timelines) in order for both to work mutually well.

- Several divisions were clear about the support processes that engage outside vendors and partners like banks, other state agencies, etc.

Opportunities for Improvement
- There appears to be an informal process for improving support processes, but it is not clear if there are consistent and formal patterns of improving these processes.

Category 7   Results

7.1   Customer Focused Results

Strengths
- 78 percent of taxpayers are satisfied with the Department's services according to the 2004 Taxpayer Satisfaction Survey. This is up from 77 percent from the previous survey. A majority of the respondents have a more favorable opinion of DOR employees in comparison to other state employees.

- 94 percent of the taxpayers surveyed who use the E-File system, believe it is excellent or good. 82 percent of those businesses using the web site say they find it useful. 75 percent of businesses spend less than 4 hours filling out and filing the return each period. 75 percent believe the forms and instructions are easy to understand.

- The Telephone Information Center exceeded the Answer 80 percent of calls within two minutes or less by 89 percent in Fiscal Year 2004. Written letter responses exceeded their performance measure of 80 percent by 87 percent.

- Unclaimed Property Claimants are receiving their claims faster. For nearly ten months, the division has processed over 80 percent of monetary claims within ten business days.

- The Taxpayer Satisfaction Survey shows a fairly consistent degree of taxpayer satisfaction with the fairness of the collection process (75 percent to 78 percent – based on those with an opinion - agree that it's fair) and whether the department's collection efforts are too aggressive (60 percent to 50 percent – based on those with an opinion – do not think the collection efforts are too aggressive) (Q. 37).

Opportunities for Improvement
- The Department does not collect comparison or benchmark data in some of these key areas.

- The Taxpayer Satisfaction Survey shows taxpayers' satisfaction (Q. 34) with quick and courteous counter assistance has declined between 1998 to 2001 and then again in 2004. In 1998 a total of 84 percent either strongly agreed or somewhat agreed that they received assistance quickly. This percentage dropped to 75.3 percent in 2001 and to 72.8 percent in 2004. In 1998 a total of 85.7 percent either strongly agreed or somewhat agreed that staff were courteous and helpful. This percentage dropped to 81.4 percent in 2001 and to 70.7 percent in 2004.

Category 7   Results

7.2   Product and Service Results

Strengths

- 25 percent of taxpayers are filing by E-File. The Department met it's goal for Fiscal Year 2004.

- The cost of collecting every $100 of revenue through the voluntary reporting and payment of taxes hovers around 34 cents. The total cost for collecting revenue, cents per $100 is currently 73 cents.

- 89 percent of monthly returns are filed timely. 89 percent are filed accurately.

- 27.6 percent of the WAC rules, excise tax bulletins and other memorandum were reviewed in Fiscal Year 2004 exceeding the 25 percent commitment.

- The Audit division net recovery per hour for fiscal year 2004 was $671. Previous years it had been between $350 – 400 per hour. The total tax savings per hour was $5,485 for disallowed refund request amounts.

- The Audit division surpassed the 2.5 percent of auditing active taxpayer accounts to 2.8 percent. There were 832 limited scope audits performed outperforming the 500 goal. Managed audits had a goal of 93 and they completed 132.

- The entire Department collected $13.943 billion in revenue in Fiscal Year 2004. Cash enforcement collections were $406,202,000.

- Last year's goal for collections from all programs was $295 million. Actual collections including Tax Discovery totaled $310 million (about 5 percent above the goal set).

- This past year, division collected full payment on 60 percent of all delinquent returns exceeding its performance goal of 55 percent.

- The total number of registered excise tax accounts continue to rise. Approximately 540,000 in FY 2000, increasing to around 700,000 in FY 2004.

- Forest Tax collected tax on over 3 billion board feet of timber, distributed nearly $27 million to the counties and nearly $8 million to the general fund in CY 2003.

- Cigarette Tax measures that were completed on time ranged from 95 – 100 percent. Estate Tax incoming estate and escheat payments achieved an 82 percent rating of processing items on time. Leasehold and REET processes achieved a 100 percent on-time completion rate. Vessels achieved a 100 percent on all sections but one had a 90 percent on-time completion rate.

- F&ES is the service center for the agency: collects money, pays employees, issues travel reimbursements, pays bills, etc. Each section has a set of performance measures that they track annually. Some of the performance measures results are:
  - 100 percent - Travel reimbursement processed within two days, time shortened from 3 days at a 100 percent in the three prior years
  - 100 percent - Cash management documents processed within deadlines consistently since 2000
  - 87 percent - Applicants tested within ten days up from 71 percent in 2000, but days extended from seven to ten
  - 99 percent - Vendor payments paid within ten days consistently since 2000
  - 94 percent - Supply requests processed within three days speeded up from 4 days in 2000 although decreased slightly from 97 percent

- At June 30th, 2004, the Taxpayer Account Administration Division met its goal of 99% of all refunds processed within 10 business days and virtually met the 99% goal for working all UBI applications in 48 hours (actual: 98%).

- Five years ago the Research Division spent 17% of their time responding to requests for data and statistics from the general public or other government agencies. In the last 5 years, they have reduced the number hours responding to requests by 25% and the number of requests by over 50%.

Opportunities for Improvement
- A new performance measure requiring 80 percent of audits be issued within 50 calendar day of the last contact with the taxpayer. 67 percent made this goal.

- Estate tax extension requests and new estate tax returns had only a 24 percent completion rate.

- While OFM sets a target of 72-hours from the time they assign a fiscal note on legislation to the time an agency completes the note. Although few agencies meet this target, it appears that the Agency is not currently meeting the goal.

- It is not clear if the Department has comparative or benchmark data for many of its key processes.

Category 7   Results

7.3   Financial Results

Strengths
- The Department has remained within allotted budget levels for over ten years. The Department has always given funds back at the end of the fiscal year—demonstrating their ability to manage within the state allotment.

- The quality improvement efforts at the Department have generated a savings of:

Dollars Saved	$1,082,130
FTE Hours Saved	155,798
Revenue Generated	$70,788,128
Savings to Others	$4,236,258

Opportunities for Improvement

Category 7   Results

7.4   Human Resource Results

Strengths
- 81 percent of employees are satisfied with the employment at the Department of Revenue based on the 2003 Employee Satisfaction Survey. This is up from 75 percent in 2001.

- 79 percent believe the Agency makes available training and development opportunities to prepare for job advancement.

- 89 percent agree that office facilities are adequate for job performance; 88 percent agree that equipment is available and 88 percent agree that there are sufficient health and safety measures taken to ensure a safe work environment.

- 83 percent believe the Agency respects and values workforce diversity.

- 90 percent believe they understand the Agency's policy and procedures on harassment and discrimination prevention – this is up from 84 percent before.

- New questions on work units scored high as well. 85 percent of employees believe there is cooperation within their work units; that they can depend on co-workers to do the job; and that they are proud to be a member of the team.

- Over 65 questions on the 2003 Satisfaction Survey had positive increases.

Opportunities for Improvement
- Only 44 percent are satisfied with receiving fair compensation. Only 49 percent are satisfied with the available health insurance plans.

- While the percentage increased by five points, 53 percent of employees believe the division encourages employee involvement and input in matters that affect them.

- Only 62 percent of employees are satisfied with the agency-level recognition program. Even though the 2001 survey showed 54 percent satisfaction.

Category 7   Results_____

7.5   Organizational Effectiveness Results

Strengths
- The overall compliance rate improved to 97.8 percent from 97.5 in 2003 and 96.6 percent in 1999.

- Revenue received a Four-Star rating from Governing Magazine in the area of tax administration in early 2003. Governing Magazine conducted an 18-month study of all the revenue departments in the nation. The Washington State Department of Revenue was only one of six states to receive the full four star rating.

- The Federation of Tax Administrators named Washington the winner of two out of three of its national awards in recognition of its achievements in improving taxpayer compliance and innovatively managing the state's tax system.

- In calendar year 2002, the Office of Financial Management retained the services of KPMG LLP to conduct an assessment of all state agencies and assign a performance score. Revenue received an "all green" rating demonstrating a high level of performance in the areas rated.

- The Property Tax division improved the ratio program so that the number is more reliable and the cost to administer the program was less.

- Total number of training hours per employee is up again. The average training hours per employee in FY03 was 56.41 and the FY04 is 64.46. Three divisions exceeded the 80 hour informal goal of employee training hours: IS, Research and Executive.

Opportunities for Improvement
- 49 percent of agency inventory process has been conducted. It is unclear whether they are on track (e.g. measure was taken during the mid-point of the process) or need improvements.

- Little comparative or benchmark data was provided.

Category 7 Results

7.6 Governance and Social Responsibility Results

Strengths
- The Department has had twelve straight years of clean audit reports from the State Auditors Office. This is unprecedented in state government.

- Revenue had the most percentage increase of any state agency of employees contributing to the Combined Fund Drive in 2003. The 2004 campaign is currently underway and many employees are continuing to support this charitable function.

- Every division within the Department supports blood drives and holiday families.

Opportunities for Improvement
- No benchmark or comparative data was provided other than the clean audit findings.

2004 Agency Baldrige Score

Leadership

1.1	Organizational Leadership (70 points)		55% 38.5 points
1.2	Public Responsibility and Citizenship (50 points)		45% 22.5 points
	Total: 61/120 points	51% average	

Strategic Planning

2.1	Strategy Development (40 points)		65% 26 points
2.2	Strategy Deployment (45 points)		55% 24.75points
	Total: 50.75/85 points	60% average	

Customer Focus

3.1	Customer Knowledge (40 points)		45% 18 points
3.2	Customer Satisfaction & Relationships (45 points)		65% 29.25 points
	Total: 47.25/85 points	56% average	

Information and Analysis

4.1	Measurement/Analysis of Performance (45 points)		50% 22.5 points
4.2	Information/Knowledge Management (45 points)		70% 31.5 points
	Total: 54/90 points	60% average	

Human Resource Focus

5.1	Work Systems (35 points)		60% 21 points
5.2	Employee Learning & Motivation (25 points)		50% 12.5 points
5.3	Employee Well Being & Satisfaction (25 points)		65% 16.25 points
	Total: 49.75/85 points	58% average	

Process Management

6.1	Product and Service Processes (50 points)		45% 22.5 points
6.2	Support Processes (35 points)		40% 14 points
	Total 36.5/85 points	43% average	

Results

7.1	Customer Focused Results (75 points)		50% 37.5 points
7.2	Product and Service Results (75 points)		60% 45 points
7.3	Financial Results (75 points)		70% 52.5 points
7.4	Human Resource Results (75 points)		60% 45 points
7.5	Organizational Effectiveness Results (75 points)		60% 45 points
7.6	Governance & Social Resp Results (75 points)		40% 30 points
	Total 255/375points	68% average	

Agency Score: **554.25 / 1000**